Portfolio purchases by foreign institutional investors

2620. SHRI ASHOK MITRA: Will the Minister of FINANCE be pleased to state:

(a) the total volume of portfolio purchases in Indian Share markets by the Foreign Institutional Investors since the beginning of the current fiscal year;

(b) Share of companies managing U.S. Pensionary Funds in such purchases during the said period; and

(c) whether Government are contemplating any measures to prevent institutional investors from taking the gains registered by them from speculating in the Indian Share Markets out of the country?

THE MINISTER OF STATE IN THE MINISTHY OF FINANCE (DR. ABRAR AHMED): (a) Total portfolio purchases made by Foreign Institutional Investors (FIIs) since the beginning of the current Fiscal year amounts to Rs. 4247 crores (as on 8th March 1994)

(b) The FIIs who have been managing Pension Funds have invested an amount of Rs. 116 crores in the Indian Capital Markets.

(c) The Guidelines issued by the Government permitting FII investments require that all seconday market operations by FIIs would be only through recognised intermediaries. A single FII or FIIs of the same group can invest only upto 5 per cent and collectively FIIs can invest only upto 24 per cent of the paid up equity capital of any company. FIIs are not expected to enter into short selling and are permitted to transact only for delivery. The difference in the rate of taxation between short term and long term capital gains would also discourage FIIs from entering into overtly speculative dealings.

Financial allocations to States

2621, SHRI ASHOK MITRA: Will the Minister of FINANCE be pleased to state:.

(a) the details of financial allocations, apart from Plan assistance, accorded ot different States as per the Union Government's discretionary power during the last three years;

(b) the terms and conditions under-lying such transfers; and

(c) whether these terms and conditions are uniform for all the States?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) Apart from plan assistance and the grants recommended by the Ninth Finance Commission released in the last three years, Ministry of Finance released non-plan medium term loans to the following States during 1990-91;

(Rs. in crores)

1. Arunachal Pradesh	16.00
2. Assam	148.00
3. Himachal Pradesh	100.00
4. Jammu & Kashmir	26.51
5. Manipur	32.00
6. Mizoram ..	14.00
7. Nagaland	28.00
8. Orissa ..	100.00
9. Rajasthan	32.00
10. Tripura	24.00
Total ..	520.51

(b) The terms and conditions of the non plan medium term loans released by this Ministry during 1990-91 were as under:-